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Medicare Advantage chronic condition special needs plans: 2026 market landscape and future considerations

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Milliman

Medicare Advantage (MA) is a government-sponsored program offering an alternative to what is commonly referred to as fee-for-service (FFS) Medicare or traditional Medicare, where benefits are provided to Medicare beneficiaries by private health plans, otherwise known as Medicare Advantage organizations (MAOs). This paper discusses a specialized type of MA plan called a chronic condition special needs plan (SNP), referred to as C-SNP, which focuses on beneficiaries with specific chronic conditions. Five key takeaways from our analysis of the C-SNP market are:

1. C-SNPs grew significantly from 2023 to 2026, in both number of plans and beneficiary enrollment.
2. As a group of conditions, the most common C-SNP types target diabetes mellitus, chronic heart failure, and cardiovascular diseases. All other C-SNP types are relatively uncommon.
3. Although variation exists in C-SNP member premiums, the most frequently offered member premium in 2026 is $0, which is consistent with general enrollment[1] plans.
4. Over fifty percent of C-SNPs in 2026 offer a formulary with a tier for select drugs.[2]
5. Special Supplemental Benefits for the Chronically Ill (SSBCI), which are available to members with certain chronic conditions, are frequently offered by C-SNPs in 2026. The most common SSBCI offerings are food and produce and general living supports.[3]

WHAT ARE C-SNPs?

C-SNPs are MA plans that enroll beneficiaries with specific severe or disabling chronic conditions. The Centers for Medicare and Medicaid Services (CMS) defines eligible beneficiaries as individuals who have at least one comorbid and medically complex chronic condition that is substantially disabling or life-threatening, have a high risk of hospitalization or other significant adverse health outcomes, and require treatments with specialized delivery systems across domains of care.[4] CMS allows for 24 different chronic conditions as defined by listed conditions in the plan benefit package (PBP) a MAO must complete when filing a plan with CMS.[5]

1. General enrollment plans are individual MA plans excluding special needs plans (chronic conditions, dual-eligible, and institutional special needs plans).
2. Select drug tiers include “Select Care Drugs” and “Select Diabetic Drugs,” which allow plans to offer specific cost sharing on drugs relevant to targeted chronic conditions.

3 General living support benefits typically offer dollar limits for rent and utilities.

4. Centers for Medicare and Medicaid Services. (2024, September 10). Chronic condition special needs plans (C-SNPs). Retrieved April 3, 2026, from https://www.cms.gov/medicare/enrollment-renewal/special-needs-plans/chronic-conditions.
5. Centers for Medicare and Medicaid Services. 2026 PBP Data Dictionary, downloaded from the Health Plan Management System (HPMS) website at https://hpms.cms.gov/app/ng/home/.

C-SNP Chronic Conditions

1. Anxiety associated with COPD
2. Autoimmune disorders
3. Cancer
4. Cardiovascular disorders
5. Chronic alcohol use disorder and other substance use disorders (SUDs)
6. Chronic and disabling mental health conditions
7. Chronic conditions that impair vision, hearing (deafness), taste, touch, and smell
8. Chronic gastrointestinal disease (CGD)
9. Chronic heart failure
10. Chronic kidney disease (CKD)
11. Chronic lung disorders
12. CKD and post-(renal) organ transplantation
13. Conditions associated with cognitive impairment
14. Conditions that require continued therapy services for individuals to maintain or retain functioning
15. Conditions with functional challenges and require similar services
16. Dementia
17. Diabetes mellitus
18. HIV/AIDS
19. Immunodeficiency and immunosuppressive disorders
20. Neurologic disorders
21. Overweight, obesity, and metabolic syndrome
22. Post-organ transplantation care
23. Severe hematologic disorders
24. Stroke

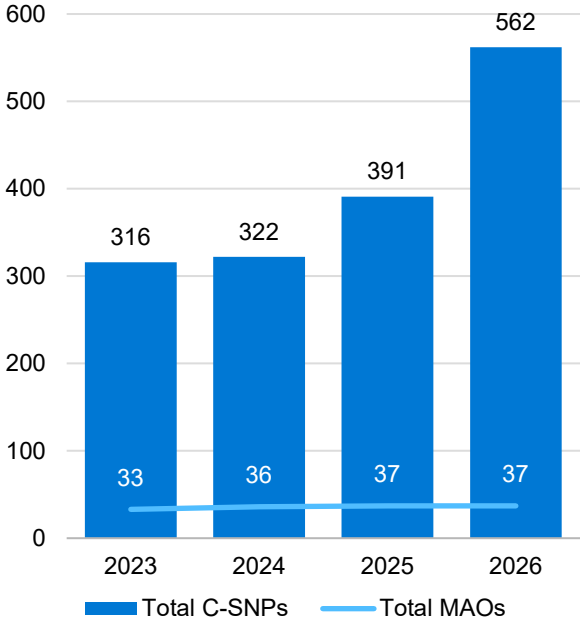
An MAO may choose to target a single condition, a CMS-approved group of commonly comorbid and clinically linked conditions, or a custom grouping of the 24 chronic conditions. If a plan targets a CMS-approved group of conditions, a beneficiary needs to be diagnosed with only one to be eligible for enrollment. If a plan is targeting a custom group of chronic conditions (which cannot include any non-CMS-approved conditions), then beneficiaries must have every condition in that group to be eligible.

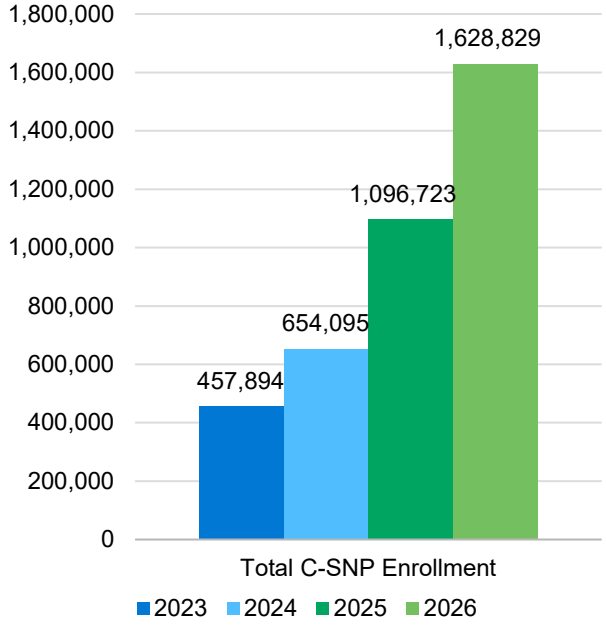
C-SNP market landscape and growth

C-SNPs are a relatively small but growing MA market segment. There are 562 C-SNPs in 2026—for comparison, there are 5,555 total individual MA plans[6] nationwide. Figure 1 displays the count of C-SNPs in the market from 2023 to 2026, and the number of MAOs offering C-SNPs over the same period. Figure 2 shows the number of beneficiaries enrolled in C-SNPs over the same period.

6. When referring to the total individual MA market, we exclude Cost plans, Medical Savings Account (MSA) plans, Employer Group Waiver Plans (EGWPs), the Program of All-Inclusive Care for the Elderly (PACE), and Prescription Drug Plans (PDPs).

FIGURES 1 AND 2: C-SNP MARKET OVERVIEW, 2023–2026





C-SNPs experienced significant growth in plan count and enrollment from 2023 to 2026. The count of C-SNPs was similar between 2023 and 2024, but increased by 21% from 2024 to 2025 and by 44% from 2025 to 2026. The 169-plan increase from 2025 to 2026 was largely due to Devoted Health increasing its count of C-SNPs from 4 to 122. Enrollment increased significantly each year, achieving an average annual growth rate of 53% over the four years. The largest percentage growth was from 2024 to 2025 at 68%.

The number of MAOs offering C-SNPs increased from 2023 to 2026, but MAOs both entered and exited the market during this time. Between 2023 and 2026, 11 MAOs entered the C-SNP market and seven left. Six national MAOs[7] offer plans in the C-SNP market in 2026. CVS Health Corporation joined the C-SNP market in 2025, and Health Care Service Corporation entered in 2026 with the acquisition of CIGNA's Medicare business. The three MAOs with the highest C-SNP enrollment in 2026 are national plans (UnitedHealth Group, Humana, and Elevance Health), and the next three highest are regional plans (Alignment Healthcare, Devoted Health, and SCAN Group).

7. National MAOs are defined as those with over 500,000 beneficiaries in total, across all plan types, which includes Centene Corporation, CVS Health Corporation, Elevance Health, Health Care Service Corporation, Humana, UnitedHealth Group, and Kaiser. The only national MAO not in the C-SNP market is Kaiser.

The C-SNP market is dominated by one combination of conditions

Figure 3 displays 2026 enrollment by C-SNP type for C-SNP types with enrollment in 2026.

FIGURE 3: ENROLLMENT BY C-SNP TYPE, 2026

TARGETED CONDITION	2026 PLANS	2026 ENROLLMENT	2026 ENROLLMENT DISTRIBUTION
Diabetes mellitus, chronic heart failure, and cardiovascular disorders	481	1,520,789	93.40%
Diabetes mellitus and cardiovascular disorders	5	56,203	3.50%
Chronic lung disorders	31	37,559	2.30%
Chronic kidney disease (CKD)	34	7,682	0.50%
Chronic and disabling mental health conditions	3	2,007	0.10%
Chronic heart failure	1	1,514	0.10%
Chronic and disabling mental health conditions, substance use disorders (SUDs), and chronic mental health disorders	1	1,013	0.10%
Dementia	1	798	0.00%
CKD and post-(renal) organ transplantation	2	652	0.00%
HIV/AIDS	1	587	0.00%
Overweight, obesity, and metabolic syndrome	1	25	0.00%
Diabetes mellitus	1	0	0.00%

C-SNPs targeting the grouping of diabetes mellitus, chronic heart failure, and cardiovascular disorders remain the most common way to offer at least one of these conditions. This grouping allows anyone with at least one of the conditions to enroll in the plan. In 2026, there are 488 plans in the market that target at least one of these conditions (including all four rows above that include some combination of these conditions), and 98.6% of this subset target all three. C-SNPs targeting the entire group became more prevalent in this cohort and drove the market growth between 2023 and 2026.

Diabetes mellitus and cardiovascular disorders have the second-most enrollment, despite only five plans in the 2026 market offering this condition grouping. These plans have the largest average enrollment per plan among the C-SNP types. The largest, offered by Humana, has over 18,000 beneficiaries in 2026.

The grouping of overweight, obesity, and metabolic syndrome has its first plan offering in 2026 (by Zing Health in Michigan). It will be interesting to observe whether other organizations choose to follow suit and target these conditions, or if this remains a very small market segment. This may be tied to the growing conversation around GLP-1 usage among the Medicare population, which coincides with the uncertainty about the proposed BALANCE program for CY2027.[8]

8. Centers for Medicare and Medicaid Services. (2026, March 3). BALANCE (Better Approaches to Lifestyle and Nutrition for Comprehensive health) model. Retrieved April 3, 2026, from https://www.cms.gov/priorities/innovation/innovation-models/balance.

CMS approved some C-SNP chronic conditions for which plans have not existed in the market in recent years. Those conditions are as follows:

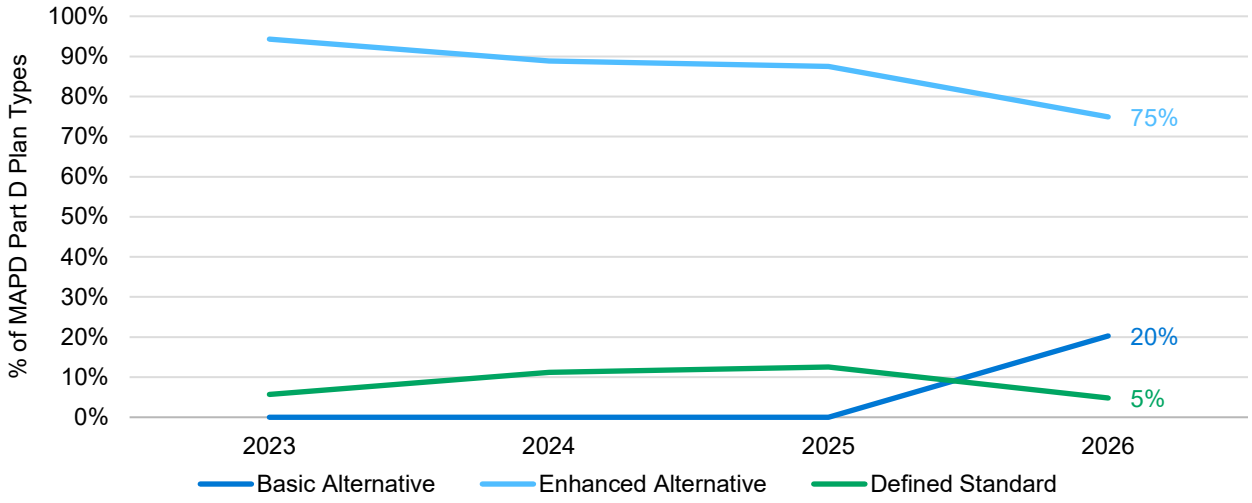
- Anxiety associated with COPD
- Autoimmune disorders
- Cancer
- Chronic conditions that impair vision, hearing (deafness), taste, touch, and smell
- Chronic gastrointestinal disease (CGD)
- Conditions associated with cognitive impairment
- Conditions that require continued therapy services for individuals to maintain or retain functioning
- Conditions with functional challenges and require similar services
- Immunodeficiency and immunosuppressive disorders
- Neurologic disorders
- Post-organ transplantation care
- Severe hematologic disorders
- Stroke

C-SNP plans based on these conditions are not being offered in the market because it may be challenging to attract a significant number of enrollees with these conditions, or because MAOs do not see an opportunity to manage costs for these chronic conditions today. When marketing C-SNPs, organizations may be challenged by the stigma associated with certain health conditions, which could dissuade beneficiaries from enrolling in a plan specific to their condition. Further, Medicare beneficiaries may not identify strongly with their condition and thus not seek out a C-SNP when they evaluate enrollment options.

C-SNP Part D Plan designs are most often Enhanced Alternative

Figure 4 provides the prevalence of each Part D Plan Type from 2023 to 2026 for C-SNPs. No Actuarial Equivalent Part D designs were offered on C-SNPs over this period.

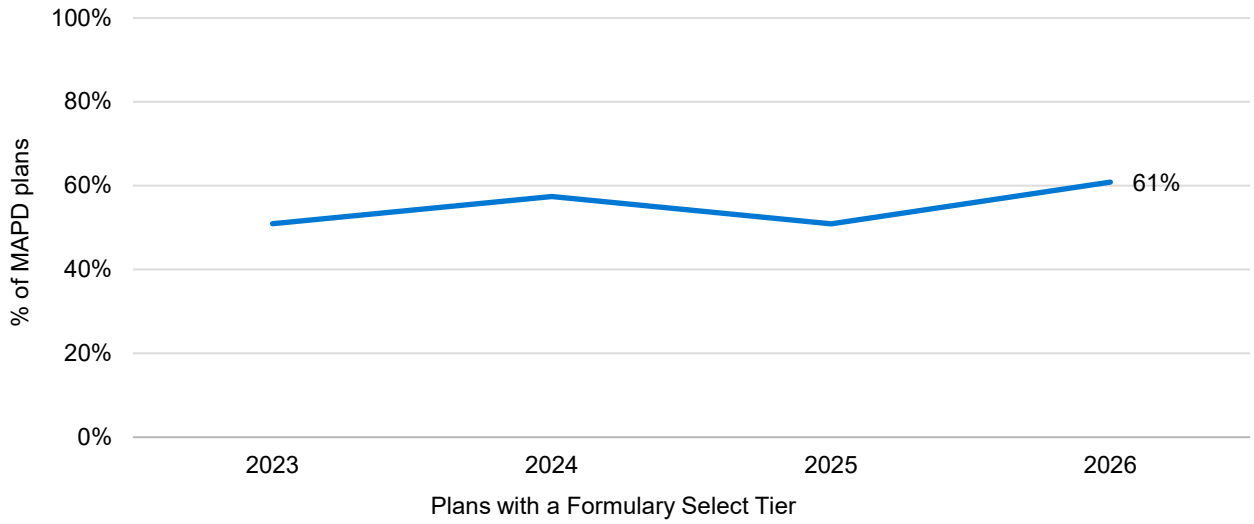
FIGURE 4: PREVALENCE OF C-SNP PART D BENEFIT DESIGNS BY PLAN COUNT, 2023–2026



Over 70% of C-SNP Part D designs are Enhanced Alternative (EA) in each year from 2023 to 2026, but EA plans as a percentage of all C-SNPs offered decreased from 94% to 75% in this period. The largest decrease of 12% occurred between 2025 and 2026, and was mainly because the new plans offered by Devoted in 2026 were Basic Alternative.

Figure 5 shows the percentage of Medicare Advantage Prescription Drug (MAPD) C-SNPs whose formulary included a select tier through a formulary tier description inclusive of “Select Care Drugs” and “Select Diabetic Drugs.”

FIGURE 5: PREVALENCE OF SELECT TIERS ON C-SNPS BY PLAN COUNT, 2023 TO 2026

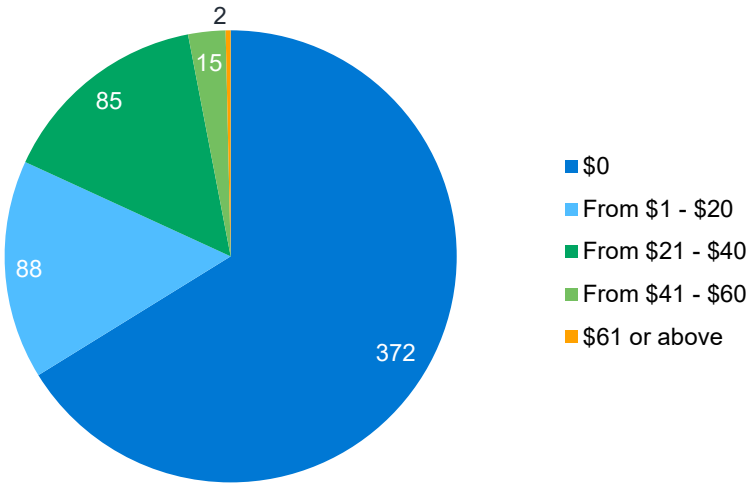


Around half of C-SNPs include a select tier on their formulary from 2023 to 2026. This tier gives plans a way to focus on drugs most relevant to the chronic conditions they target. It can be used to reduce the cost share for these drugs, which could improve adherence and potentially lead to better medical outcomes, thus reducing other plan costs.

C-SNP member premiums are most often zero

Some MA plans charge a monthly medical premium to their beneficiaries. Figure 6 displays 2026 C-SNP member premiums by premium range.

FIGURE 6: C-SNP MEMBER PREMIUMS BY PLAN COUNT, 2026

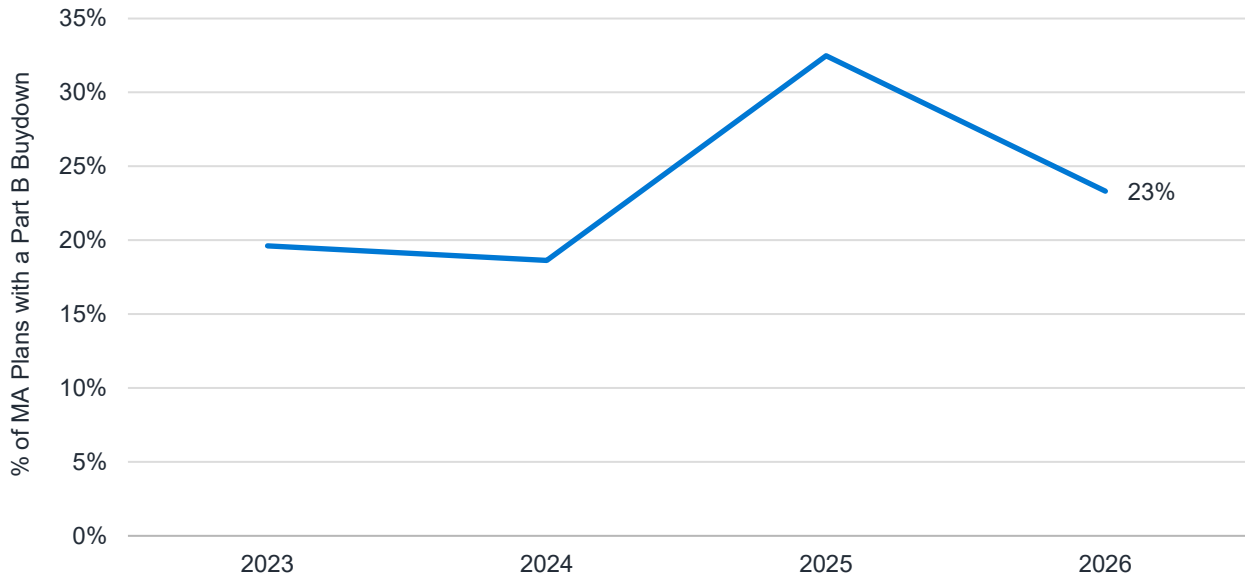


About two-thirds of C-SNPs charge zero-dollar premiums. Zero-dollar premium plans are popular with members, regardless of market segment. However, the number of zero-dollar premium plans offered decreased in 2026 for both the C-SNP and general enrollment markets[9] .

Ninety-nine percent of C-SNPs in 2026 offered premiums at or below the low-income premium subsidy amount (LIPSA). For low-income beneficiaries, the federal government covers the member premium up to the LIPSA, which varies by region and is set by CMS each year. Plans targeting low-income beneficiaries tend to set premiums at or below the LIPSA, thereby providing coverage to these beneficiaries at no cost to the member. There are only eight C-SNPs in 2026 offering premiums above the LIPSA, meaning the vast majority of C-SNPs are accessible to low-income beneficiaries. Plan premium alongside benefit design can provide further insight into the type of beneficiary the C-SNP is designed to attract. Based on our analysis, approximately half of the new C-SNPs in 2026 are designed to attract low-income beneficiaries, and half are designed to attract non-low-income beneficiaries.

Some plans buy down the Part B premium for beneficiaries. Figure 7 displays the percentage of CSNPs with a Part B buy-down from 2023 to 2026.

FIGURE 7: PERCENTAGE OF C-SNPS OFFERING PART B BUY-DOWN, 2023–2026



About 23% of C-SNPs offer a Part B premium buy-down in 2026. Most Medicare beneficiaries (both those in FFS and in MA) are required to pay a Part B premium for Medicare coverage. Although MA plans can choose to charge an additional monthly premium, they also have the option to cover either a portion or all of a member's Part B premium. This is referred to as a Part B premium buy-down. The prevalence of Part B buy-downs increased by approximately 14% from 2023 to 2025, and then decreased by about 10% from 2025 to 2026. Although Part B buy-downs are more prevalent in 2026 than in 2023, the most recent market trend was a large decrease driven by new plans without Part B premium buy-downs. As a contrast, Part B buy-downs have increased in the general enrollment market in 2026.[10]

9. https://frm.milliman.com/en/insight/navigating-pressure-ma-pd-plans-2026

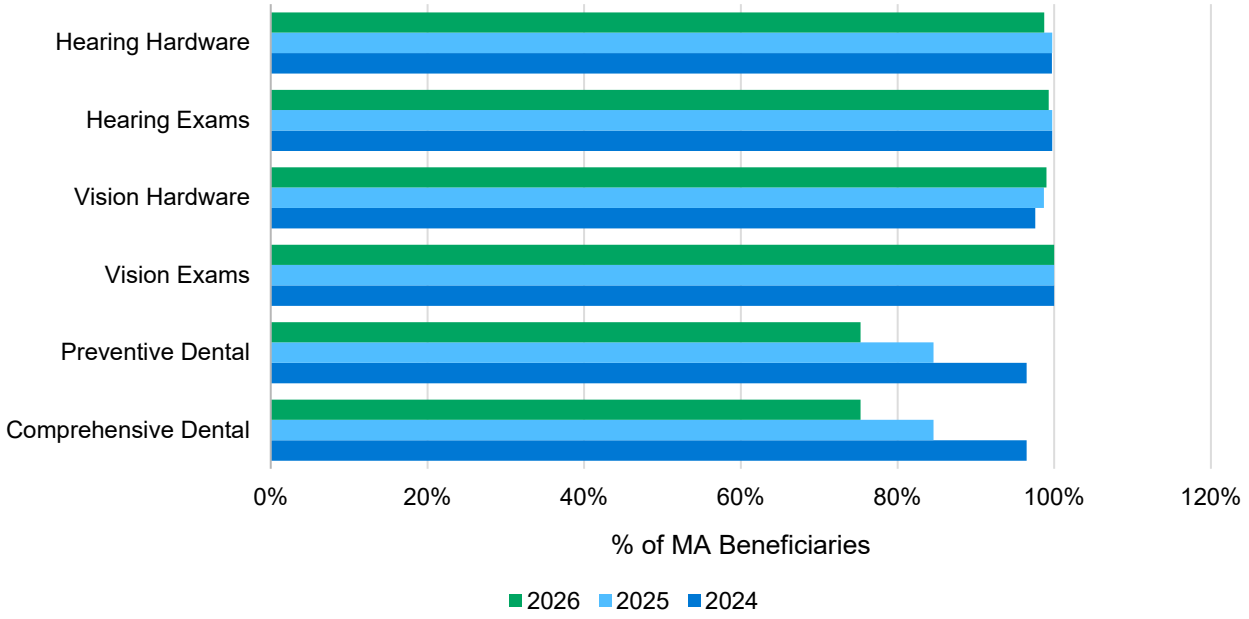
10. Cates, J., Friedman, J., & Yen, I. (2026, March 10). State of the 2026 Medicare Advantage industry: General enrollment plan valuation and selected benefit offerings. Milliman. Retrieved April 3, 2026, from https://www.milliman.com/en/insight/medicare-advantage-general-enrollment-2026-update.

Variation observed in C-SNP supplemental benefits

MA plans typically offer additional benefits not provided under traditional Medicare, referred to as supplemental benefits. This discussion focuses on mandatory supplemental benefits and excludes optional supplemental benefits, for which each beneficiary within a plan can elect coverage and pay an additional premium.

Figure 8 contains the most prominent supplemental benefits in MA.

FIGURE 8: C-SNP BENEFIT PREVALENCE BY PERCENTAGE OF C-SNP BENEFICIARIES COVERED, 2024 TO 2026

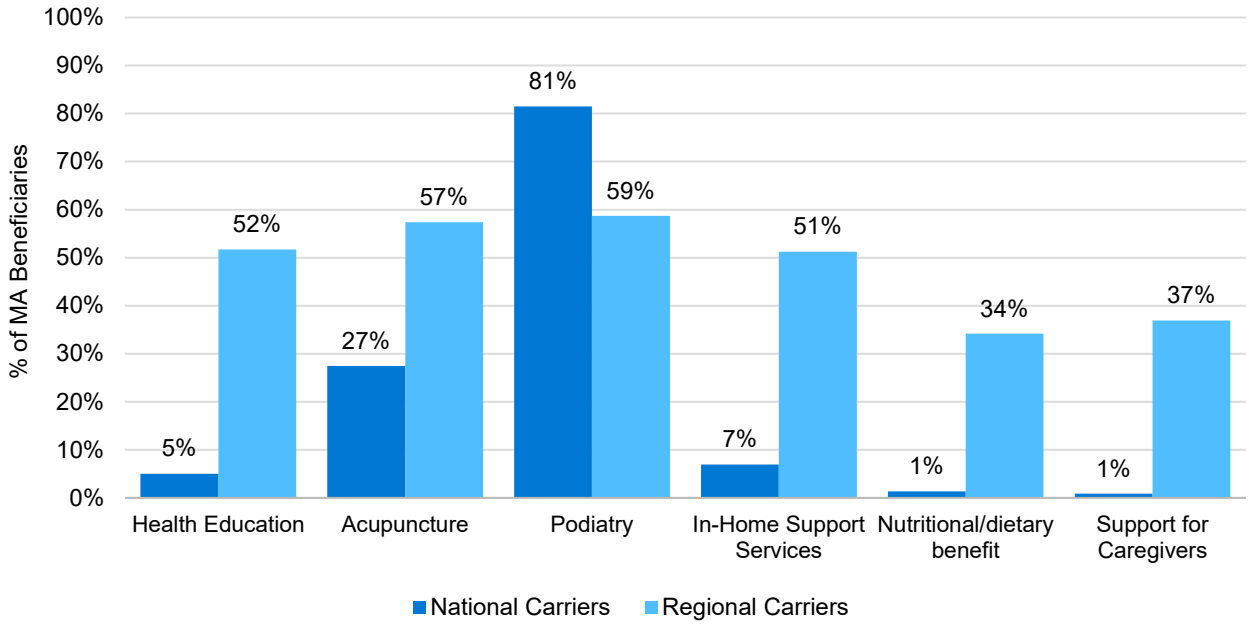


Hearing and vision benefits are offered on nearly all C-SNPs from 2024 through 2026. These benefits have similar prevalence in the general enrollment market and are nearly ubiquitous in the MA market.

Dental prevalence among C-SNPs has consistently decreased since 2024. The decrease in dental prevalence is mainly due to UnitedHealth Group reducing the number of plans offering dental coverage to beneficiaries by approximately 22% each year between 2024 and 2026.

Figure 9 shows the percentage of C-SNP beneficiaries with coverage for other supplemental benefits in 2026, split between national and regional MAOs.

FIGURE 9: PREVALENCE OF OTHER COMMON SUPPLEMENTAL BENEFITS BY NATIONAL AND REGIONAL C-SNPS, 2026



National C-SNPs offer podiatry benefits to 81% of beneficiaries, whereas regional C-SNPs offer podiatry to 59% of their beneficiaries. This is not driven by the type of C-SNPs, as the level of podiatry coverage is similar for national and regional MAOs across the different C-SNP conditions.

Beneficiaries enrolled in regional C-SNPs are more likely to have health education, acupuncture, in-home support services, nutritional/dietary benefits, and support for caregivers than beneficiaries in national C-SNPs. Regional C-SNPs appear to take more tailored approaches with their supplemental benefits than the national C-SNPs, which focus on the supplemental benefits shown in Figure 8, plus podiatry. Regional C-SNPs may serve a much smaller group of individuals residing in specific areas or aligned with certain providers, which allows them to deeply understand the needs of their beneficiaries and design benefit packages most in line with those needs.

Combined benefit packages are frequently offered in 2026 by both national and regional C-SNPs. Combined benefits, or "combo" benefits, are designed to include multiple supplemental benefits in one package and may have a total dollar limit across all benefits in the package.[11] Although shared preventive and comprehensive dental, vision exams and hardware, and hearing exams and hardware limits fall into the combo benefit category when filed in the PBP, we do not include them in this discussion—we focus on "true" combo benefits, which include multiple types of unrelated benefits. Approximately 97% of C-SNP beneficiaries with national MAOs and 87% of C-SNP beneficiaries with regional MAOs are enrolled in plans with true combo benefits in 2026. The most common combined benefit offerings by C-SNPs in 2026 are as follows:

- Over-the-counter (OTC) benefit cards combined with other benefits, such as SSBCI, home and bathroom safety, or fitness
- Acupuncture and chiropractic benefits
- Non-emergency medical transportation combined with SSBCI

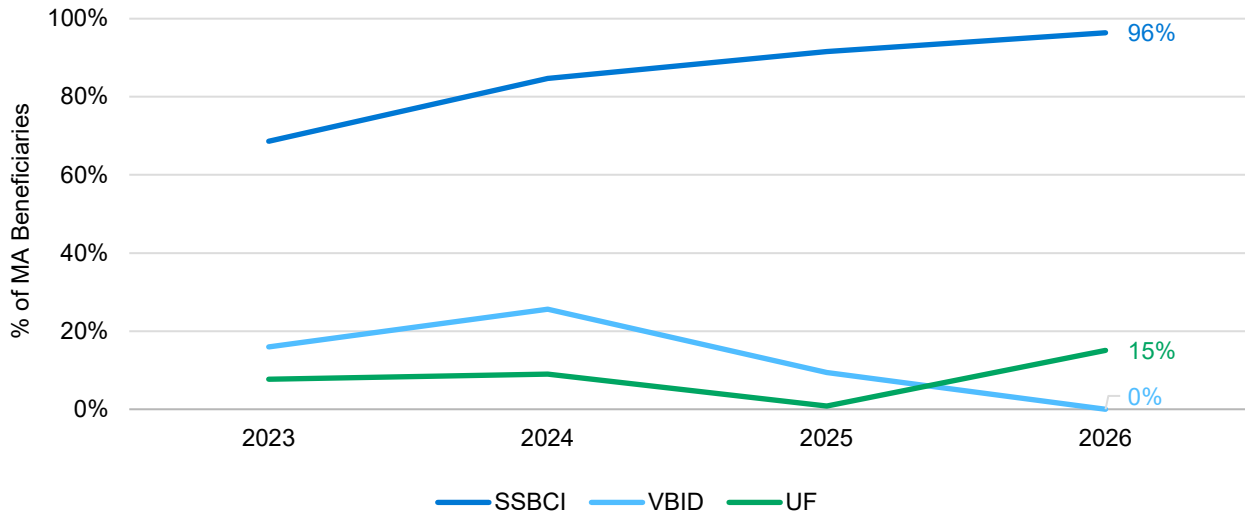
11. Yeh, M., & Yen, I. (2024, April 3). 2024 combined benefits in Medicare Advantage: Tracking benefit strategy and options. Milliman. Retrieved April 3, 2026, from https://www.milliman.com/en/insight/2024-combined-benefits-medicare-advantage-tracking-benefit-strategy.

C-SNPs frequently offer non-uniform benefits, most commonly SSBCI

Through the benefit flexibility offerings known as Uniform Flexibility (UF) and SSBCI, MAOs can provide reduced cost-sharing and/or additional supplemental benefits for enrollees based on condition. We refer to UF and SSBCI offerings as "non-uniform benefits" because they are not offered to all beneficiaries uniformly, unlike mandatory supplemental benefits. Because C-SNP beneficiaries must have certain chronic conditions to enroll, C-SNPs can offer additional benefit flexibilities to all beneficiaries through non-uniform programs by using the same qualifying condition that they utilize for plan enrollment.

Figure 10 shows the percentage of C-SNP beneficiaries enrolled in plans offering non-uniform benefit packages from 2023 to 2026.

FIGURE 10: PERCENTAGE OF C-SNP BENEFICIARIES IN PLANS OFFERING NON-UNIFORM BENEFIT PACKAGES, 2023–2026

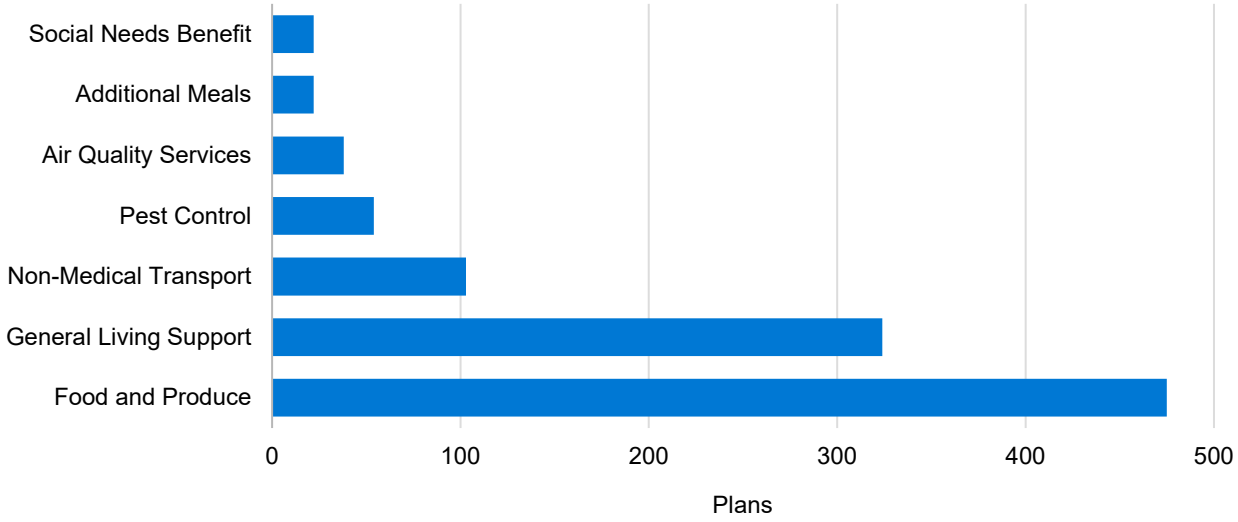


Although non-uniform benefit offerings by C-SNPs grew in prevalence in recent years, SSBCI is by far the most common non-uniform benefit offered by C-SNPs. SSBCI may be attractive to C-SNPs for the following reasons:

- SSBCI is designed to target beneficiaries with chronic conditions, as are C-SNPs
- SSBCI allows for a larger variety of benefit flexibilities than UF
- CMS sunset the Value-Based Insurance Design (VBID) program in 2026, which was another avenue for plans to offer non-uniform benefits

The following discussion focuses on SSBCI only, given its high prevalence among C-SNPs. Figure 11 shows the most common SSBCI[12] offered by C-SNPs in 2026.

FIGURE 11: COUNT OF C-SNPS WITH MOST COMMON SSBCI OFFERINGS, 2026



Approximately 85% of C-SNPs in 2026 offer food and produce. General living support is the only other SSBCI offered by more than half of C-SNPs in 2026, at 58%. General living support benefits typically offer dollar limits for rent and utilities.

The average annual dollar limit for an SSBCI package offered by a C-SNP in 2026 is $2,055. Limits vary significantly by plan, from as low as $80 annually to as high as $5,916 annually.

Considerations for 2027 and beyond

Regulatory implications: In the CY 2027 Advance Notice, CMS proposed new Part C and Part D risk score models. These models contain multiple changes, including new coefficients on hierarchical condition categories (HCCs). The favorability of the model for each C-SNP will vary depending on the prevalence of HCCs with higher or lower coefficients. The CY 2027 Rate Announcement did not implement the proposed Part C and Part D risk score models for 2027, but risk score model updates in future years remain likely.

CMS focuses on dual enrollment. In the CY 2027 Proposed Rule, CMS issued a request for information regarding C-SNPs and Institutional SNPs (I-SNPs) with high concentrations of dual enrollment. CMS cites concerns that these plans could be bypassing the stricter integrated care requirements of Dual-Eligible SNPs (D-SNPs), such as State Medicaid Agency Contracts (SMACs). CMS is exploring changes for C-SNPs and I-SNPs, which could include requiring SMACs or establishing stricter care coordination requirements for duals. C-SNP organizations should watch this developing situation closely and be prepared to respond to new plan requirements.

Methodology

To perform these analyses, we relied on detailed information on MA benefits, premiums, and enrollment as released by CMS and summarized in the 2026 Milliman Medicare Advantage Competitive Value Added Tool (Milliman MACVAT®), which is available for external license. Enrollment used to calculate weighted averages is from February of each year.

12. Coleman, K. (2019, April 24). Implementing supplemental benefits for chronically ill enrollees [Memorandum]. Centers for Medicare and Medicaid Services. Retrieved April 3, 2026, from https://www.cms.gov/medicare/healthplans/healthplansgeninfo/downloads/supplemental_benefits_chronically_ill_hpms_042419.pdf.

The data above was summarized and analyzed in the following groupings:

- Plan type
- Regional versus national organizations

This analysis excludes all MA SNP types other than C-SNPs. References to the total individual MA market exclude Cost Plans, Medical Savings Account (MSA) Plans, Employer Group Waiver Plans (EGWPs), the Program of All-Inclusive Care for the Elderly (PACE), and Prescription Drug Plans (PDPs).

Caveats, limitations, and qualifications

The information in this paper is intended to describe changes and trends in the Medicare chronic condition SNP market. It may not be appropriate, and should not be used, for other purposes.

We relied on publicly available enrollment and premium data from CMS and the Milliman MACVAT® to support the data and conclusions presented in this paper. If this information is incomplete or inaccurate, our observations and comments may not be appropriate. We reviewed the data for reasonability but did not audit the data.

The credibility of certain comparisons provided in this paper may be limited, particularly where the number of plans in certain groupings is low. Some metrics may also be distorted by premium and benefits in a few plans with particularly high enrollment. Future C-SNP experience may differ from the historical results presented in this paper.

Mary Yeh and Jordan Laktas are members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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